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***SOCIAL SERVICES BLOCK  
GRANT PROGRAM***

**Information Memorandum**

**U.S. Department of Health and Human  
Services  
Administration for Children and Families  
Office of Community Services  
Division of State Assistance  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447  
[www.acf.hhs.gov/programs/ocs/ssbg](http://www.acf.hhs.gov/programs/ocs/ssbg)**

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**Transmittal No. 01-2006**

**Date: JUN 16 2006**

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**TO:** Social Services Block Grant (SSBG) State Officials and State Program Contacts

**SUBJECT:** Use of SSBG Supplemental Emergency Funds for Construction

**PURPOSE:** To share with States qualifications on the use of SSBG Supplemental Emergency Funds for repair, renovation, or construction of health facilities

The Office of Community Services has received several inquiries from States on the use of SSBG Supplemental Emergency Funding to meet a variety of pressing needs. One such question is: May States use SSBG Supplemental Emergency Funding for repair, renovation or construction of health care facilities built by private entities?

The Department of Defense Appropriations Act of 2006 (Public Law 109-148), also known as the Emergency Supplemental Appropriations Act, provided \$550 million in SSBG funding for FY 2006, in addition to the regularly-funded block grant program, to address the social and health services needs of individuals, and for the repair, renovation and construction of health facilities affected by the 2005 Gulf Coast Hurricanes.

The statute authorizing the SSBG Supplemental Funding states:

**"Provided, that in addition to other uses permitted by title XX of the Social Security Act, funds appropriated under this heading may be used for health services (including mental health services) and for repair, renovation and construction of health facilities (including mental health facilities)."**

The authority as outlined in the Act allows for the use of SSBG Supplemental Emergency Funding to public, non-profit and private entities for the repair, renovation or construction of health care facilities as a reasonable interpretation of the law. There is no conflict with general administrative rules, Office of Management and Budget circulars, or current grants administration policies, as long as the use of these funds is consistent with the laws and procedures applicable to the State, both with regard to the States' own provisions for obligations and expenditures under State policies, and in accordance with applicable Federal regulations (see block grant regulatory language at 45 CFR 96.30(a)).

This directive includes the application of State standards relating to the protection and disposition of real estate purchased with grant funds. Accordingly, as indicated in Part 3.04.104 of the HHS Awarding Agency Grants Administration Manual, any award involving construction is required to include language that ensures that the Federal interests in property, during and after the period of award, are adequately protected and includes the requirement for a Notice of Federal Interest (NFI). States shall use a version of the NFI form to fulfill this requirement. A sample version of the NFI Form is attached and as such, States shall reproduce this form with text as written and appropriate inserts when projects receiving SSBG Supplemental Emergency Funding utilize this funding for construction projects.

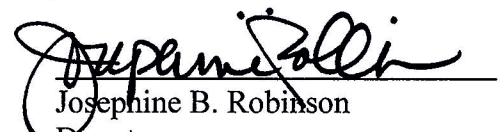
There is no other regulatory or policy language cited for application.

In summary, there are two qualifications for States to utilize when they intend to use SSBG Supplemental Emergency Funding authority for private, as well as public and non-profit entities, to repair, renovate or construct health care facilities:

1. States will apply their own administrative standards when they issue sub-awards under the Emergency Supplemental Appropriations Act of 2005 (Public Law 109-148) for construction. This means State standards relating to the protection and disposition of real estate purchased or constructed with grant funds are applicable to funds awarded.
2. States must establish, as a condition of funding to all entities receiving SSBG funds under the Emergency Supplemental Appropriations Act of 2005 for construction, the requirement that a Notice of Federal Interest (NFI) is filed as a condition of the award. In this way, the NFI officially recognizes the Federal government's continuing financial interest in the property.

Please address inquiries to

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Josephine B. Robinson  
Director  
Office of Community Services

*This form shall be reproduced with text as written and appropriate inserts.*

## NOTICE OF FEDERAL INTEREST

On (insert date), the U.S. Department of Health and Human Services (HHS) Administration for Children and Families (ACF), Office of Community Services (OCS) awarded Grant No. \_\_\_\_\_ to (insert name of recipient). The grant provides funds for (describe purpose of grant, e.g., acquisition of a building), which is located on the land described below in \_\_\_\_\_ County, State of \_\_\_\_\_:

(INSERT LEGAL DESCRIPTION OF PROPERTY)

The Notice of Award for this grant includes conditions on use of the aforementioned property and provides for a continuing Federal interest in the property. Specifically, the property may not be (1) used for any purpose inconsistent with the statute and any program regulations governing the award under which the property was acquired; (2) mortgaged or otherwise used as collateral without the written permission of [the Secretary, Department of Health and Human Services (HHS) or designee]; or (3) sold or transferred to another party without the written permission of [the Secretary, HHS, or designee]. These conditions are in accordance with the statutory provisions set forth in [insert United States Code citation], the regulatory provisions of the program set forth in 45 CFR Part 96.30(a), and the other terms and conditions of award. These grant conditions and requirements cannot be nullified or voided through a transfer of ownership. Therefore, advance notice of any proposed change in usage or ownership must be provided to [the Secretary, HHS, or designee].

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## NOTICE OF FEDERAL INTEREST

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned, a Notary Public for the County of \_\_\_\_\_, (State), personally appeared before me and is known to be the person who executed this instrument on behalf of said \_\_\_\_\_, and acknowledged to me that he/she executed the same as the free act and deed of said Corporation.

Witness my hand and official seal.

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Notary Public in and for the County of

\_\_\_\_\_, State of \_\_\_\_\_.